

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



**WS-02676A**

**Rio Rico Utilities Inc. – Water**

**12725 W. Indian School Rd. Suite D101**

**Avondale, AZ 85323**

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2006</b>
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FOR COMMISSION USE

<b>ANN05</b>	<b>06</b>
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Entered  
4-18-07

## COMPANY INFORMATION

**Company Name (Business Name)** Rio Rico Utilities, Inc.

**Mailing Address** 12725 W. Indian School Rd. Suite D101

(Street)

Avondale

(City)

AZ

(State)

85323

(Zip)

(623) 935-9367

Telephone No. (Include Area Code)

(623) 935-1020

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Peter Kampian

(Name)

**Chief Financial Office**

(Title)

2845 Bristol Circle

(Street)

Oakville, Ontario

(City)

Canada

(State)

L6H 7H7

(Zip)

(905) 465-4500

Telephone No. (Include Area Code)

(905) 465-4514

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Mike Weber **General Manager**

(Name)

12725 W. Indian School Rd Suite D101

(Street)

Avondale

(City)

AZ

(State)

85323

(Zip)

(623) 935-9367

Telephone No. (Include Area Code)

(623) 935-1020

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** CT Corporation System

(Name)

3225 N. Central Ave.

(Street)

Phoenix

(City)

AZ

(State)

85201

(Zip)

(602) 277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Jay Shapiro @ Fennemore Craig

(Name)

3003 North Central Ave. Suite 2600

(Street)

Phoenix

(City)

AZ

(State)

85012-2913

(Zip)

(602) 916-5366

Telephone No. (Include Area Code)

(602) 916-5566

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☒ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME****Rio Rico Utilities, Inc (Water)****UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	6,195	24	6,170
307	Wells and Springs			
311	Pumping Equipment	95,823	4,349	91,474
320	Water Treatment Equipment	5,581	78	5,503
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	29,243,716	9,691,306	19,552,411
333	Services	86,384	1,010	85,374
334	Meters and Meter Installations	99,725	1,309	98,416
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	3,547	274	3,272
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>29,540,971</b>	<b>9,698,350</b>	<b>19,842,620</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME****Rio Rico Utilities, Inc (Water)****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	6,195		24
307	Wells and Springs			0
311	Pumping Equipment	95,823		4,349
320	Water Treatment Equipment	5,581		78
330	Distribution Reservoirs and Standpipes			0
331	Transmission and Distribution Mains	29,243,716		764,925
333	Services	86,384		1,010
334	Meters and Meter Installations	99,725		1,309
335	Hydrants			0
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment			0
340	Office Furniture and Equipment			0
341	Transportation Equipment			0
343	Tools, Shop and Garage Equipment			0
344	Laboratory Equipment			0
345	Power Operated Equipment			0
346	Communication Equipment	3,547		274
347	Miscellaneous Equipment			0
348	Other Tangible Plant			0
	Less: CIAC Amortization			(449,840)
	TOTALS	29,540,971		322,130

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

Half-year convention used on asset additions.

**COMPANY NAME****Rio Rico Utilities, Inc (Water)****BALANCE SHEET**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 249,933	\$ 70,997
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	144,895	310,821
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	114,515	2,815
174	Miscellaneous Current and Accrued Assets	1,268,898	1,581,885
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 1,778,240</b>	<b>\$ 1,966,519</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 28,718,024	\$ 29,540,971
103	Property Held for Future Use		
105	Construction Work in Progress	526,430	1,126,499
108	Accumulated Depreciation - Utility Plant	8,926,380	9,698,350
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 20,318,074</b>	<b>\$ 20,969,120</b>
	<b>TOTAL ASSETS</b>	<b>\$ 22,096,314</b>	<b>\$ 22,935,638</b>

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

**COMPANY NAME**

Rio Rico Utilities, Inc (Water)

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 5,944	\$ 144,234
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	17,770	50,483
235	Customer Deposits	84,285	116,729
236	Accrued Taxes	7,921	55,060
237	Accrued Interest	1,954	1,698
241	Miscellaneous Current and Accrued Liabilities	1,061,871	1,642,742
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 1,179,745</b>	<b>\$ 2,010,946</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds		
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	265,023	193,242
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	20,181,201	20,319,943
272	Less: Amortization of Contributions	5,139,644	5,638,101
281	Accumulated Deferred Income Tax		(140,557)
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 15,306,581</b>	<b>\$ 14,734,528</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 16,486,325</b>	<b>\$ 16,745,474</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1	\$ 1
211	Paid in Capital in Excess of Par Value	6,118,311	6,748,137
215	Retained Earnings	(508,323)	(557,973)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 5,609,988</b>	<b>\$ 6,190,165</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 22,096,314</b>	<b>\$ 22,935,638</b>

**COMPANY NAME****Rio Rico Utilities, Inc (Water)****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 1,720,689	\$ 1,737,758
460	Unmetered Water Revenue		
474	Other Water Revenues	54,205	63,860
	<b>TOTAL REVENUES</b>	<b>\$ 1,774,894</b>	<b>\$ 1,801,618</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	308,297	322,910
618	Chemicals	4,787	3,096
620	Repairs and Maintenance	35,017	34,262
621	Office Supplies and Expense	11,865	36,572
630	Outside Services	642,581	585,999
635	Water Testing	11,847	9,507
641	Rents	17,314	23,660
650	Transportation Expenses	67,688	68,629
657	Insurance - General Liability	52,879	31,853
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	21,757	22,679
675	Miscellaneous Expense	120,831	10,880
403	Depreciation Expense	54,666	322,130
408	Taxes Other Than Income		
408.11	Property Taxes	72,343	91,295
409	Income Tax	17,770	323,866
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,439,641</b>	<b>\$ 1,887,339</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		3,235
	<b>TOTAL OTHER INCOME/EXP</b>	<b>\$ -</b>	<b>\$ (3,235)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 335,253</b>	<b>\$ (88,955)</b>



**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$181,779</u>
Meter Deposits Refunded During the Test Year	<u>\$27,278</u>

**COMPANY NAME**    **Rio Rico Utilities Inc (Water)**

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-502579	200	1100	650	16	8	
55-619359	75	625	250	10	6	
55-604302	20			16	2	
55-604364	75	625	251	10	6	
55-604363	75	650	603	12	8	
55-604366	20			10	2	
55-587292	200	975	605	16	10	2003

\*    Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
40	2	315	
30	8		
25	13		
20	8		
15	10		
10	3		
7.5	9		
3	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity, Millions Gallons</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
0.640	1	8,000	1
0.200	1	5,000	11
0.150	1	3,000	1
0.100	1	1,500	4
0.010	4	1,000	5
		200	4
		50	0

COMPANY NAME    Rio Rico Utilities Inc (Water)

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
<b>4" and Under</b>	Various	325,458
<b>Over 4"</b>	Various	1,478,264

**CUSTOMER METERS**

Size (in inches)	Quantity
<b>5/8 X 3/4</b>	5380
<b>3/4</b>	0
<b>1</b>	78
<b>1 1/2</b>	16
<b>2</b>	54
<b>Comp. 3</b>	3
<b>Turbo 3</b>	11
<b>Comp. 4</b>	5
<b>Tubo 4</b>	0
<b>Comp. 6</b>	1
<b>Tubo 6</b>	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

**Gas Chlorination System using 150# Cylinders**

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STRUCTURES:

**(2) 20' X 20' Storage Sheds**

**(5) 8' X 8' Chlorination Buildings (at well sites)**

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OTHER:

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**COMPANY NAME:** Rio Rico Utilities Inc. (Water).

**Name of System** ADEQ Public Water System Number (if applicable)

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	5,478	56,608,000	57,756,000	
FEBRUARY	5,528	49,015,000	54,557,000	
MARCH	5,576	52,533,000	58,133,000	
APRIL	5,625	57,798,000	69,352,000	
MAY	5,672	74,200,000	89,198,000	
JUNE	5,716	80,304,000	87,037,000	
JULY	5,776	78,705,000	72,643,000	
AUGUST	5,804	55,683,000	61,438,000	
SEPTEMBER	5,830	51,060,000	60,421,000	
OCTOBER	5,861	59,275,000	66,266,000	
NOVEMBER	5,895	56,848,000	65,112,000	
DECEMBER	5,939	61,078,000	59,338,000	
TOTALS →		733,107,000	801,251,000	

What is the level of arsenic for each well on your system? See next page mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_ GPM for \_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Rio Rico Utilities, Inc YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 68,957

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME)
<b>SANTA CRUZ</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>BOB DODDS</b>
COMPANY NAME
<b>RIO RICO UTILITIES INC.</b>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

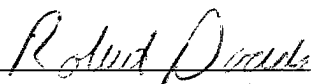
MONTH	DAY	YEAR
<b>12</b>	<b>31</b>	<b>2006</b>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
(623) 935-9429  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

**DAY OF**

COUNTY NAME	
MONTH	.20__

**(SEAL)**

**MY COMMISSION EXPIRES** \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Rio Rico Utilities, Inc YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported Unable to Isolate due to consolidated return filed  
Estimated or Actual Federal Tax Liability

State Taxable Income Reported Unable to Isolate due to consolidated return filed  
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

Apr 13, 2007  
DATE

Robert Dodder  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <b>Santa Cruz</b>	
NAME (OWNER OR OFFICIAL) TITLE <b>Mike Weber</b>	<b>V.P.</b>
COMPANY NAME <b>Rio Rico Utilities Inc.</b>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**


**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

**\$ 1,923,042**

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 121,424  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
(623) 939-9429  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

**DAY OF**

COUNTY NAME	
MONTH	.20__

**(SEAL)**

**MY COMMISSION EXPIRES** \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	Santa Cruz		
NAME (OWNER OR OFFICIAL)	Mike Weber	TITLE	V.P.
COMPANY NAME	Rio Rico Utilities Inc.		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>1,473,120</u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 93,015  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

Richard Dorda  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 931-5429  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

--

**DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

**X**

SIGNATURE OF NOTARY PUBLIC